

## Wockhardt moves to cure itself of FDA woes

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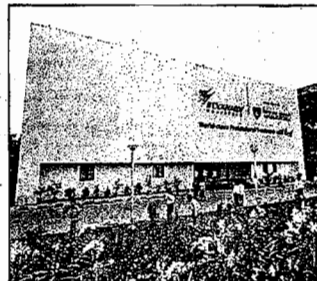
**NEW DELHI:** Hit by the recent US ban on its two plants, drug major Wockhardt plans to shift the company's focus to research and development (R&D) instead of only manufacturing drugs.

The company will spend ₹500 crore on R&D this year against ₹220 crore two year back.

"It is research that will define Wockhardt in the next 10-12 years," Habil Khorakiwala, chairman, Wockhardt, told HT. "This year we would be spending 9% of our turnover on R&D against the current 4-5%."

The company files about 150 patents each year and is currently researching on pharmaceutical technologies, bio-similars, bio-logics and drug discoveries.

The US FDA recently banned import from two Wockhardt plants, in Waluj and Chikalthana, adding to its financial woes. The FDA had imposed an "import



■ Wockhardt's Chikalthana unit

alert" on the two units after its inspectors found violations related to hygiene and quality.

The company at the time of issuance of alert said it was expecting a loss of up to \$100 million (₹620 crore) in revenue in 2013-14.

Revenues stood at ₹5,610 crore in 2012-13. It fell 14% to ₹1,237 crore during October-December against ₹1,435 crore a year ago.

"This year our profitability will be low and it is certain that we have to overcome the FDA-related challenges to get back to normalcy," Khorakiwala said.

Company.